

directed to the FHWA at the address provided above.

(Catalog of Federal Domestic Assistance Program Number 20.205, Highway Planning and Construction. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities apply to this program)

Issued on: December 15, 1998.

**Elton H. Chang,**

*Environmental Engineer Oregon Division.*

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BILLING CODE 4910-01-M

## DEPARTMENT OF TRANSPORTATION

### Federal Railroad Administration

#### Safe Use of Prescription and Over-the-Counter Drugs

**AGENCY:** Federal Railroad Administration (FRA), Department of Transportation (DOT).

**ACTION:** Notice of safety advisory.

**SUMMARY:** FRA issues Safety Advisory 98-3 to address recommended practices for the safe use of prescription and over-the-counter drugs by safety-sensitive railroad employees.

**FOR FURTHER INFORMATION CONTACT:**

Lamar Allen, Alcohol and Drug Program Manager, Office of Safety Assurance and Compliance, Operating Practices Division, Federal Railroad Administration, 1120 Vermont Avenue, NW, RRS-11, Mail Stop 25, Washington, DC 20590, (Telephone: (202) 493-6313) or Patricia V. Sun, Trial Attorney, Office of Chief Counsel, FRA, 1120 Vermont Avenue, NW, RCC-11, Mail Stop 10, Washington, DC 20590, (Telephone: (202) 493-6060).

**SUPPLEMENTARY INFORMATION:** FRA issues this advisory in support of DOT's efforts to ensure that transportation employees safely use prescription and over-the-counter (OTC) drugs. Safe rail operations depend upon alert and fully functional professionals who have not been adversely affected by drug use, whether medically appropriate ("legal") or not. FRA has always prohibited illicit drug use and unauthorized use of controlled substances by safety-sensitive employees, but is equally concerned about the potentially adverse side effects from other prescription drugs and OTC products. Because DOT and FRA testing (including FRA's post-accident program) targets only alcohol and controlled substances, FRA does not have a clear picture of the extent to which the performance of safety-sensitive employees is adversely affected by legal drug use.

Accordingly, although not specifically addressed in its alcohol and drug testing regulations (49 CFR part 219), FRA strongly recommends that rail employers and safety-sensitive employees follow § 219.103 guidelines when considering the use of all prescription and OTC drugs. Simply stated, in the interest of safety, FRA strongly recommends that either a treating medical professional or a railroad-designated physician make a fitness-for-work determination concerning all prescription and OTC drug use prior to permitting an employee to return to work in safety sensitive service. This determination should also be made whenever an employee currently performing safety-sensitive functions is concerned about possible effects on his or her job performance from the use of prescription or OTC drugs.

Section 219.103(b) authorizes railroads to establish reporting and approval procedures for all prescription and OTC drugs which may have detrimental effects on safety. Additionally, FRA recommends that railroads educate their employees on these reporting and approval procedures and, most importantly, on how to use prescription and OTC medications safely.

FRA will take all appropriate action to continue reducing the negative impact from inappropriate use of all prescription and OTC medications. Moreover, FRA strongly encourages the rail industry to voluntarily develop programs on safe prescription and OTC drug use before such programs are mandated or directed through legislation.

Issued in Washington, D.C., on December 16, 1998.

**George Gavalla,**

*Acting Associate Administrator for Safety.*

[FR Doc. 98-34054 Filed 12-23-98; 8:45 am]

BILLING CODE 4910-06-P

## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration (RSPA), DOT

[Docket No. RSPA-98-4450; Notice 17]

#### Pipeline Safety: Intent To Approve Project and Environmental Assessment for the Chevron Pipe Line Company; Pipeline Risk Management Demonstration Program

**AGENCY:** Research and Special Programs Administration, Office of Pipeline Safety, DOT.

**ACTION:** Notice of Intent to Approve Project and Environmental Assessment.

**SUMMARY:** As part of its Congressional mandate to conduct a Risk Management Demonstration Program, the Office of Pipeline Safety (OPS) has been authorized to conduct demonstration projects with pipeline operators to determine how risk management might be used to complement and improve the existing Federal pipeline safety regulatory process. This is a notice that OPS intends to approve Chevron Pipe Line Company (Chevron) as a participant in the Pipeline Risk Management Demonstration Program. This also provides an environmental assessment of Chevron's demonstration project. Based on this environmental assessment, OPS has preliminarily concluded that this proposed project will not have significant environmental impacts.

This notice explains OPS's rationale for approving this project, and summarizes the demonstration project provisions that would go into effect once OPS issues an order approving Chevron as a Demonstration Program participant. OPS seeks public comment on the proposed demonstration project so it may consider and address these comments before approving the project. The Chevron demonstration project is one of several projects OPS plans to approve and monitor in assessing risk management as a component of the Federal pipeline safety regulatory program.

**ADDRESSES:** OPS requests that comments to this notice or about this environmental assessment be submitted on or before February 8, 1999, so they can be considered before project approval. However, comments on this or any other demonstration project will be accepted in the Docket throughout the 4-year demonstration period. Comments should be sent to the Dockets Facility, U.S. Department of Transportation, Plaza 401, 400 Seventh Street, SW, Washington, DC 20590-0001, or you can E-Mail your comments to ops.comments@rspa.dot.gov. Comments should identify the docket number RSPA-98-4450. Persons should submit the original comment document and one (1) copy. Persons wishing to receive confirmation of receipt of their comments must include a self-addressed stamped postcard. The Dockets Facility is located on the plaza level of the Nassif Building in Room 401, 400 Seventh Street, SW, Washington, DC. The Dockets Facility is open from 9:00 a.m. to 5:00 p.m., Monday through Friday, except on Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Callsen, OPS, (202) 366-4572, regarding the subject matter of this notice and environmental assessment. Contact the Dockets Unit, (202) 366-9322, for docket material. Comments may also be reviewed on line at the DOT Docket Management System website at <http://dms.dot.gov/>.

**SUPPLEMENTARY INFORMATION:**

**1. Background**

The Office of Pipeline Safety (OPS) is the federal regulatory body overseeing pipeline safety. As a critical component of its mandate, OPS administers and enforces a broad range of regulations governing pipeline safety and environmental protection of pipelines. These regulations have contributed to a good pipeline industry safety record by ensuring that risks associated with pipeline design, construction, operations, and maintenance are understood, managed, and reduced.

Preserving and improving this safety record is OPS's top priority. On the basis of extensive research, and the experience of both government and industry, OPS believes that a risk management approach, properly implemented and monitored, offers opportunities to achieve:

- (1) Superior safety, environmental protection, and service reliability;
- (2) Increased efficiency and reliability of pipeline operations; and
- (3) Improved communication and dialogue among industry, the government, and other stakeholders.

A key benefit of this approach is the opportunity for greater levels of public participation.

As authorized by Congress, OPS is conducting a structured Demonstration Program to evaluate the use of a comprehensive risk management approach in the operations and regulation of interstate pipeline facilities. This evaluation will be performed under strictly controlled conditions through a set of demonstration projects to be conducted with interstate pipeline operators. A Presidential Directive to the Secretary of Transportation (October 12, 1996) stated that in implementing the Pipeline Risk Management Demonstration Program: "The Secretary shall require each project to achieve superior levels of public safety and environmental protection when compared with regulatory requirements that otherwise would apply." Thus, the process to select operators for the Demonstration Program involves a comprehensive review to ensure that the proposed project will provide the superior safety and environmental protection required

by this Directive. OPS may exempt a participating operator from particular regulations if the operator needs such flexibility in implementing a comprehensive risk management program; however, regulatory exemption is neither a goal nor requirement of the Demonstration Program.

This document summarizes the key points of this review for Chevron's demonstration project, and evaluates the safety and environmental impacts of this proposed project.

**2. OPS Evaluation of Chevron Demonstration Project Proposal**

Using the consultative process described in Appendix A of the Requests for Application for the Pipeline Risk Management Demonstration Program (62 FR 14719), published on March 27, 1997, OPS has reached agreement with Chevron on the provisions for a demonstration project on a 330-mile portion of Chevron's Salt Lake Products Pipeline System.

*Company History and Record:* The Salt Lake Products Pipeline System is, on average, 41 years old. It is composed of 706 miles of pipeline right-of-way that originates at Chevron's Salt Lake City refinery and distributes refined product (gasoline, diesel, jet fuel) throughout the States of Utah, Idaho, Oregon, and Washington. Construction of the first leg from Salt Lake City, Utah, to Twin Falls, Idaho, was completed in 1949. Expansion of the system in the 1950's and 1960's extended the system to Boise, Idaho; Pasco, Washington; and Spokane, Washington. Major lateral supply lines include lines to Pocatello, Idaho, and the Salt Lake City Airport. Chevron is proposing the 330-mile portion of the system from Salt Lake City, Utah to Boise, Idaho as its demonstration site. Chevron is headquartered in San Ramon, California, and has a Salt Lake Products support office in Salt Lake City, Utah.

Before entering into consultations with Chevron, OPS determined that Chevron was a favorable candidate for the Program after examining the company's safety and environmental compliance record, its accident history, and its commitment to working with OPS to develop a project meeting the Demonstration Program goals. The Salt Lake Products Pipeline System has experienced five reportable releases since 1990. Two of these releases were caused by damage from third parties excavating near the line; two events resulted from external corrosion; and the final release was due to a welding defect. The volume of product released from the line in each instance was

relatively small—the largest being a release of approximately 365 barrels of jet fuel that occurred after an excavator pierced the line. The other four releases ranged from 88 barrels to 200 barrels. OPS was satisfied with the remedial actions undertaken in response to the two corrosion accidents. One involved localized corrosion due to a casing under a highway crossing. Chevron replaced the corroded pipe and eliminated the casing to prevent future reoccurrence. The other resulted from general external corrosion. After conducting an internal inspection of the pipeline, Chevron replaced all corroded pipe in the vicinity of the leak. None of the five releases resulted in injuries to pipeline personnel or members of the public, or caused a fire or explosion. The environmental impacts in each case were localized. The sites were cleaned to the satisfaction of regulatory agencies, and caused no permanent environmental damage.

The most recent significant accident on any Chevron pipeline occurred on the KLM Crude System on March 11, 1995. Four thousand barrels of crude oil were spilled into the Arroyo Pasajero near Kettleman City, California, when an upstream bridge collapsed during a 100-year flood and the resulting debris damaged the pipeline. No deaths or injuries resulted from the pipeline accident, although crop damage did occur. Following its accident investigation, the California State Fire Marshal (acting as an OPS state agent) cited Chevron for failure of the pipeline controller to take timely action. Chevron has replaced the segment of pipeline, burying it over 20 feet beneath the bottom of the channel where it can not be affected by future flooding. Chevron has also modified training procedures and retrained appropriate personnel in response to the State Fire Marshal's findings.

OPS believes that the actions Chevron has taken to address the specific causes of these accidents, together with Chevron's existing risk management program, are adequate responses to the incidents and demonstrate a continued commitment to safety. An important feature of Chevron's risk management program is the systematic approach Chevron employs to ensure that lessons learned from any accident or unplanned event are considered in future risk assessments. Chevron begins its scenario based risk assessment of a pipeline system by considering a standard checklist of initiating events, which is constantly updated to reflect all known causes of accidents on any Chevron pipeline. In choosing risk control activities, Chevron carefully

considers consequences of past accidents on other similar pipeline systems.

**Consultative Evaluation:** During the consultations, a Project Review Team (PRT) consisting of representatives from OPS headquarters and Western Region, pipeline safety officials from Utah and Washington, and risk management experts met with Chevron to discuss Chevron's risk assessment, supporting analyses, proposed risk control activities, performance measures, and means of administering risk management within the company. The discussions addressed technical validation of all proposed activities, demographics and terrain along the demonstration segment, communications with outside stakeholders, and monitoring and auditing of results once the demonstration project is underway. These reviews were undertaken to ensure that the proposed Chevron demonstration project satisfies the three primary review criteria for the OPS Risk Management Demonstration Program:

1. Whether Chevron's proposed risk management program is consistent with the Risk Management Program Standard and compatible with the Guiding Principles set forth in that Standard;

2. Whether the proposed set of risk control alternatives is expected to produce superior safety, environmental protection, and reliability of service compared to that achieved from compliance with the current regulations;

3. Whether Chevron's proposed risk management demonstration program includes a company work plan and a performance monitoring plan that will provide adequate assurance that the expectation for superior safety, environmental protection, and service reliability is actually being achieved during implementation.

The demonstration project provisions described in this notice evolved from these consultations, as well as from any public comments received to date. An Environmental Assessment was completed as part of the Consultation process and is included as an Appendix to this Notice. Once OPS and Chevron consider and address comments received on this notice, OPS may issue an Order approving the Chevron demonstration project.

### 3. Statement of Project Goals

The Salt Lake Products Pipeline System transports gasoline, diesel, and jet fuel, which are stable, flammable liquids. If released in sufficient quantities and under certain conditions, spills may result in property and

environmental damage, injuries, and fatalities. Therefore, ensuring that pipeline leaks and ruptures do not occur is the highest priority for OPS, state agencies, and Chevron. Through risk management, Chevron intends to continuously improve the level of safety associated with operating this line.

OPS and Chevron believe Chevron's demonstration project will improve safety by applying numerous risk control measures that exceed regulatory requirements on the pipeline segment. Chevron has completed two risk assessments on the entire Salt Lake Products Pipeline System: the first in 1995 and the second in April 1997. Based on the results of these risk assessments, Chevron has developed a set of risk control activities that address the areas of highest risk and are intended to result in reduced risk and superior safety and reliability on the pipeline system.

For the Salt Lake Products Pipeline System, Chevron will supplement the required regulatory activities it now performs with numerous new and additional risk control activities resulting from the comprehensive risk assessments. Some of the more significant activities that will be added to existing measures to improve safety along the demonstration segment are a comprehensive in-line inspection program to address external corrosion, activities to minimize the potential impact of drain valve leaks at several locations, a geologic hazard assessment to identify areas vulnerable to seismic activity, scouring, and land movement, enhanced risk communication with Local Emergency Planning Committees, and improved approaches to identify and address risks in Unusually Sensitive Areas (USAs). (The USA definition will appear in American Petroleum Institute (API) guidance to be published during the first quarter of 1999. Examples of USA candidates would be public water systems and threatened and endangered species).

Chevron is not requesting any exemptions from current regulations as part of its demonstration project. The set of risk control activities that Chevron identified from the risk assessments of the Salt Lake Products Pipeline System are intended to provide additional safety assurance. Chevron makes a strong case that the risk of a release on this system will be reduced, and superior safety and environmental protection will result.

### 4. Demonstration Project Pipeline Segment

*Salt Lake Products Pipeline System.* The Salt Lake Products Pipeline System

passes through Utah, Idaho, Oregon, and Washington. Construction of the first leg from Salt Lake City, Utah, to Twin Falls, Idaho, was completed in 1949.

Expansion of the system in the 1950's and 1960's extended the system to Boise, Idaho; Pasco, Washington; and Spokane, Washington. Major lateral supply pipelines include lines to Pocatello, Idaho, and the Salt Lake City Airport. The portion of the system proposed for the Demonstration Program consists of two parallel 8-inch diameter pipelines from Salt Lake City to Boise—one line transporting all grades of gasoline, and the other line transporting petroleum distillates such as diesel and jet fuel. The remainder of the system from Boise to Spokane consists of only one pipeline. With upgrades planned for completion by early 1999, the Salt Lake Products Pipeline System will transport a total of 70,000 barrels per day. The pipeline route crosses a variety of terrains, including desert, farmland, mountains, wetlands, and several river crossings. The majority of the route is through sparsely populated areas, with the exception of Salt Lake City and Boise where the population growth has resulted in a moderate density of residences and businesses near the right-of-way (with some individual residences and businesses adjacent to the right-of-way).

### 5. Project Description

The following risk control and monitoring activities would be included in the Order OPS issues formally approving the Chevron demonstration project.

#### *Risk Control Activities on the Salt Lake Products Pipeline System*

Chevron intends to demonstrate it operates more safely with a risk management program in place, providing a level of safety and environmental protection that exceeds protection afforded by pipeline safety requirements. The set of risk control activities that Chevron has identified from the risk assessments of the Salt Lake Products Pipeline System are intended to provide additional protection. Chevron is not requesting any exemptions from current regulations for its demonstration project.

The risk control activities that Chevron identified from its 1995 and 1997 risk assessments on the Salt Lake Products Pipeline System will be the focus of the demonstration project. The most significant risk control activities are the following:

- *External corrosion.* The Chevron corrosion maintenance and prevention program meets or exceeds all regulatory requirements and is consistent with good industry practices. As with all pipelines that have been operating for several years, there are some locations where the company is concerned about pipe coating condition and ensuring the adequacy of cathodic protection. To obtain better information about the current pipe condition, especially areas where corrosion might be occurring, the company intends to enhance its comprehensive internal inspection program by linking inspection results with identified sensitive environmental areas (discussed below). Chevron will run an inspection device through the pipe that will identify pipe geometric defects such as dents, gouges, and areas that are not perfectly round. Then a second "intelligent" pipe inspection tool will be used to identify locations where there has been metal loss due to corrosion. The output from these inspection tools will be used to identify pipe locations where corrosion or other problems might exist. The company will then excavate, examine, and, if appropriate, repair any damage that is discovered at these sites.

- *Geologic hazards in the form of seismic, scouring, and land movement.* Chevron identified these hazards in the 1995 risk assessment and remediated several key locations. However, the company still believes these risks need to be better defined and addressed. Chevron is proposing to conduct a geologic hazard assessment that identifies and obtains more data on the areas most vulnerable to geologic hazards. Chevron will use this information in its risk control and decision making process to identify risk control activities to address significant geologic threats.

- *Mapping Sensitive Environmental Areas.* Another feature of the Chevron risk management demonstration project is to develop improved approaches to identify and address risks in USAs. This effort will include mapping sensitive environmental areas adjacent to the line using the Global Positioning System and Geographic Information System. This information will support a more thorough investigation of environmental risks on the pipeline system as well as improving the allocation of resources to focus on potential problems in environmentally sensitive areas.

Finally, as part of the demonstration project, Chevron will reassess the risks of the demonstration site every two years to update its understanding of risks. Chevron will consult with OPS and state agencies about how best to

address the results of these risk assessments.

#### *Monitoring Demonstration Project Effectiveness*

Chevron's Demonstration Project includes performance monitoring to assure the superior protection of public safety and achieve other project objectives. A key element of the performance monitoring plan is a set of performance measures that would track the risk reduction on the Salt Lake Products Pipeline System over time, track the growth and institutionalization of risk management within the company, measure the effectiveness of Chevron's risk control activities, and provide a basis for future improvement. Examples include:

- Risk reduction on the demonstration site over time. Chevron will analyze the results from the 1995, 1997, as well as future risk assessments to be conducted in 1999 and 2001, to see if risk is being reduced on the pipeline over time.

- Risk management program evolution from inception five years ago until present day and through the demonstration project. Chevron will document what has been done over time to make the program and processes more effective, and how the risk tools have evolved over time. For example, initially the scope of the Chevron program was assessing risk of pipeline systems, but the program has evolved to include evaluating all Chevron capital-funded pipeline projects as well as Chevron expense-funded pipeline projects. Risk management is even being employed in evaluating potential management system changes, such as automation and manpower requirements.

Chevron will report performance measure data and project progress regularly to OPS throughout the four year demonstration period. This information, as well as periodic OPS audits, will assure accountability for improved performance.

Section B of the Environmental Assessment provides more detail on Chevron's proposed project.

#### **6. Regulatory Perspective**

##### *Why OPS Plans to Approve This Project?*

OPS is considering Chevron's proposed project for the Demonstration Program because, after extensive review, OPS is satisfied that the proposal:

- *Provides superior protection for the demonstration segment.* Chevron's risk control activities for the Salt Lake Products Pipeline System exceed

current regulatory requirements to provide additional safety and environmental protection.

- *Offers a good opportunity to evaluate risk management as a component of the Federal pipeline safety regulatory program.* OPS believes the Demonstration Program could benefit from Chevron's participation, given some of the distinguishing features of its proposed demonstration project, including:

- Chevron has a strong corporate commitment to risk management, and has already established an integrated and comprehensive risk management program. This project will provide insights into how a company effectively integrates a risk management program into its on-going business practices.

- Chevron has already completed two risk assessments of the entire proposed demonstration project system, and has already developed a set of projects to address the areas of highest risk. Chevron believes it can demonstrate superior performance by showing that the risk management program is an effective addition to the current regulations.

- Chevron's proposed project includes using risk assessment to develop improved approaches to identify and address risks in sensitive environmental areas (e.g., public water systems, sole source aquifers, and habitats of critically imperiled, and threatened and endangered species). This project may provide useful insights into OPS's current multi-agency efforts to define USAs.

- Chevron is not requesting any regulatory exemption. This project will demonstrate how a company can use risk management to achieve superior performance and continued improvement without avoiding required activities.

- This project will demonstrate how a quantitative, scenario-based approach to risk assessment can be effective in identifying and addressing pipeline risks.

- Chevron is one of the few companies that has truly integrated risk consideration into the annual capital budget process. The process and its evolution should provide OPS useful insights into a truly integrated and effective risk management program.

##### *How Will OPS Oversee This Project?*

After Chevron's risk management demonstration project is approved, the PRT consisting of OPS headquarters and regional staff and state pipeline safety officials who have been reviewing the proposal, will monitor the project. The PRT is designed to be a more

comprehensive oversight process that draws maximum technical experience and perspective from all affected OPS regional and headquarters offices, and from any affected state agencies that would not normally provide oversight on interstate transmission projects.

The PRT will conduct periodic risk management audits to observe company performance of the specific terms and conditions of the OPS Order authorizing this demonstration project. OPS is developing a detailed audit plan, tailored to the unique requirements of the Chevron Demonstration Project. This plan will describe the audit process (e.g., types of inspections, methods, and their frequency), as well as specific requirements for reporting information and performance measure data to OPS.

OPS retains its full authority to administer and enforce all regulations governing pipeline safety. Chevron is not requesting any regulatory exemptions. The Salt Lake Products Pipeline System will be subject to routine OPS inspection to ensure compliance with the applicable Federal Pipeline Safety Regulations.

#### *Information Provided to the Public*

OPS has previously provided information to the public about the Chevron project, and has requested public comment, using many different sources.

1. OPS aired several electronic "town meetings" enabling viewers of the two-way live broadcasts to pose questions and voice concerns about candidate companies (including Chevron).

2. An earlier **Federal Register** notice (62 FR 53052; October 10, 1997) informed the public that Chevron was interested in participating in the Demonstration Program, provided general information about technical issues and risk control activities to be explored, and identified the geographic areas the demonstration project would traverse.

3. Since August 1997, OPS has used an Internet-accessible data system called the Pipeline Risk Management Information System (PRIMIS), available via the OPS Home Page at <http://ops.dot.gov> to collect, update, and exchange information about all demonstration candidates, including Chevron.

4. At a November 19, 1997, public meeting OPS hosted in Houston, TX, Chevron officials presented a summary of the proposed demonstration project and answered questions from meeting attendees. (Portions of this meeting were broadcast on December 4, 1997, and March 26, 1998).

5. OPS is providing a prospectus, which includes a map of the demonstration pipeline segment, to State officials and community representatives who may be interested in reviewing project information, providing input, or monitoring the progress of the project.

At this point, OPS has received no public comment on Chevron's proposal. This notice is OPS's final request for public comment before OPS intends to approve Chevron's participation in the Demonstration Program.

Issued in Washington, DC on December 18, 1998.

**Richard B. Felder,**

*Associate Administrator for Pipeline Safety.*

#### **Appendix: Environmental Assessment**

##### *A. Background and Purpose*

A Presidential Directive to the Secretary of Transportation (October 12, 1996) stated that in implementing the Pipeline Risk Management Demonstration Program: "The Secretary shall require each project to achieve superior levels of public safety and environmental protection when compared with regulatory requirements that otherwise would apply." Thus, the process to select operators for this Demonstration Program involves a comprehensive review to ensure that the proposed project will provide the superior safety and environmental protection required by this Directive. This document summarizes the key points of this review for Chevron Pipe Line Company's (Chevron's) demonstration project, and evaluates the safety and environmental impacts of this proposed project.

This document was prepared in accordance with section 102(2)(c) of the National Environmental Policy Act (42 U.S.C. 4332), the Council on Environmental Quality regulations (40 CFR Parts 1500-1508), and Department of Transportation Order 5610.1c, Procedures for Considering Environmental Impacts.

##### *B. Description of the Proposed Action*

As a result of a comprehensive review of the risk management demonstration project Chevron has proposed, the Office of Pipeline Safety (OPS) proposes to approve this project for participation in the Demonstration Program.

The Chevron project would involve the following pipeline segment:

(1) The 330-mile portion of the Salt Lake Products Pipeline System from Salt Lake City, Utah to Boise, Idaho.

The OPS Project Review Team that conducted this review has concluded the Chevron project will:

(1) Provide superior safety and environmental protection for the pipeline segment proposed for the demonstration project; and

(2) Offer a good opportunity to evaluate risk management as a component of the Federal pipeline safety regulatory program.

The Project Review Team evaluated the project according to review protocols and

criteria available on PRIMIS. This evaluation is documented in "OPS Project Review Team Evaluation of Chevron Demonstration Project." As a candidate for the Pipeline Risk Management Demonstration Program, Chevron has conducted thorough and systematic risk assessments to identify hazards and risks associated with operating the demonstration segment. The process used for performing these risk assessments is described in "OPS Project Review Team Evaluation of Chevron Demonstration Project".

Chevron has a strong, fully institutionalized risk management program that it has developed and refined through five years of application on all of its pipeline systems. The foundation of the Chevron program is a very systematic risk assessment process. This investigative process involves a comprehensive examination of the entire pipeline looking for possible sources of risk, modeling potential accident scenarios represented by these threats, and quantifying the relative importance of the risks. The examination of potential consequences includes public and worker safety as well as health effects, impacts on the environment, and maintaining service to Chevron's customers. The Chevron risk management program incorporates a well documented Risk Management Program Manual which includes a comprehensive set of risk management implementing procedures. Chevron effectively involves experienced field personnel in the risk management process. This comprehensive approach to risk management typically discovers risks that might not have been addressed through compliance with existing regulations.

Chevron is not requesting exemptions from current regulations for its proposed demonstration project. The set of risk control activities that have been identified from the risk assessments of the Salt Lake Products Pipeline System (described below) go beyond current pipeline safety requirements to provide additional protection. Chevron intends to demonstrate it operates more safely with a risk management program in place, providing a level of safety and environmental protection that exceeds current regulations.

Chevron has completed two risk assessments on the Salt Lake Products Pipeline System: the first in 1995 and the second in April 1997. Based on the results of these risk assessments, Chevron has developed a set of risk control activities that address the areas of highest risk. The following are the most significant activities that will be applied to the 330-mile demonstration segment and will be the focus of the Chevron demonstration project:

- *External corrosion.* The Chevron corrosion maintenance and prevention program meets or exceeds all regulatory requirements and is consistent with good industry practices. As with all pipelines that have been operating for several years, there are some locations where the company is concerned about pipe coating condition and ensuring the adequacy of cathodic protection. To obtain better information about the current pipe condition, especially areas where corrosion might be occurring, the

company intends to enhance its comprehensive internal inspection program by linking inspection results with identified sensitive environmental areas (discussed below). Chevron will run an inspection device through the pipe that will identify pipe geometric defects such as dents, gouges, and areas that are not perfectly round. Then a second "intelligent" pipe inspection tool will be used to identify locations where there has been metal loss due to corrosion. The output from these inspection tools will be used to identify pipe locations where corrosion or other problems might exist. The company will then excavate, examine, and, if appropriate, repair any damage that is discovered at these sites.

- *Geologic hazards in the form of seismic, scouring, and land movement.* Chevron identified these hazards in the 1995 risk assessment and remediated several key locations. However, the company still believes these risks need to be better defined and addressed. Chevron is proposing to conduct a geologic hazard assessment that identifies and obtains more data on the areas most vulnerable to geologic hazards. Chevron will use this information in its risk control and decision making process to identify risk control activities to address significant geologic threats.

- *Mapping Sensitive Environmental Areas.* Another feature of the Chevron risk management demonstration project is to develop improved approaches to identify and address risks in Unusually Sensitive Areas (USAs). (The USA definition will appear in American Petroleum Institute (API) guidance to be published during the first quarter of 1999. Examples of USA candidates would be public water systems and threatened and endangered species.) This effort will include mapping sensitive environmental areas adjacent to the line using the Global Positioning System and Geographic Information System. This information will support a more thorough investigation of environmental risks on the pipeline system as well as improving the allocation of resources to focus on potential problems in environmentally sensitive areas.

Finally, as part of the demonstration project, Chevron will reassess the risks of the demonstration site every two years to update its understanding of risks. Chevron will share the results of these risk assessments with OPS.

### C. Purpose and Need for Action

As authorized by Congress, OPS is conducting a structured Demonstration Program to evaluate the use of a comprehensive risk management approach in the operations and regulation of interstate pipeline facilities. This evaluation is being performed under strictly controlled conditions through a set of demonstration projects being conducted with interstate pipeline operators. Through the Demonstration Program, OPS will determine whether a risk management approach, properly implemented and monitored through a formal risk management regulatory framework, achieves:

(1) Superior safety and environmental protection; and

(2) Increased efficiency and service reliability of pipeline operations.

In June, 1997, Chevron submitted a Letter of Intent to OPS asking to be considered as a Demonstration Program candidate. Using the consultative process described in Appendix A of the Requests for Application for the Pipeline Risk Management Demonstration Program (62 FR 14719), published on March 27, 1997, OPS is satisfied that Chevron's proposal will provide superior safety and environmental protection, and is prepared to finalize the agreement with Chevron on the provisions for the demonstration project.

### D. Alternatives Considered

OPS has considered three alternatives: approval of the Chevron risk management demonstration project as proposed in Chevron's application; denial of the Chevron demonstration project; or approval of the project with certain modifications to Chevron's application.

OPS's preferred alternative is to approve the Chevron demonstration project. OPS is satisfied that the proposal will not significantly affect the surrounding environment. OPS expects the project will lead to superior levels of safety and environmental protection than provided under current regulatory requirements, because of the identification and analysis of effective risk control activities. Increased sharing between OPS and Chevron about potential pipeline risks will increase OPS's knowledge and awareness about potential pipeline threats, provide earlier opportunity to consider appropriate risk control options, and thereby support a more effective regulatory role in improving safety and environmental protection.

If OPS denied the project, it would lose valuable information concerning the sources of risks to Chevron's pipeline system and the most effective means of managing these risks. Denial would also significantly diminish OPS's ability to evaluate the effectiveness of an institutionalized, integrated, and comprehensive risk management program in producing superior performance, and would hinder OPS's ability to satisfy the objectives of the Risk Management Demonstration Program, and the requirements of the previously mentioned Presidential Directive.

All of the issues raised by OPS, state regulators, and other stakeholders about Chevron's proposed project have been discussed within the consultative process, resolved to OPS's satisfaction, and reflected in Chevron's application. Thus, we do not see any need to modify Chevron's proposal.

### E. Affected Environment and Environmental Consequences

The Salt Lake Products Pipeline System is composed of 706 miles of pipeline right-of-way that originates at Chevron's Salt Lake City refinery and distributes refined product (gasoline, diesel, jet fuel) throughout the States of Utah, Idaho, Oregon, and Washington. Chevron has proposed the 330-mile portion of the system between Salt Lake City, Utah and Boise, Idaho as its demonstration project. The transported products meet the 49 CFR part 195 definition

of petroleum products in that they are flammable, toxic or corrosive. This means that the highest priority for OPS and Chevron is ensuring that pipeline leaks and ruptures do not occur. Through risk management, Chevron intends to continuously improve the level of safety and environmental protection associated with operating this system.

Gasoline, diesel, and jet fuel are stable, flammable liquids. However, under rare circumstances, spills may result in the accumulation of highly flammable, heavier than air vapors in low areas. These vapors may also spread along the ground away from the spill site. Ignition of the vapor trail may occur if an ignition source is present. Localized damage created by a fire in the vicinity of the release could occur. These products form carbon oxides and various hydrocarbons which are dispersed into the atmosphere when burned. These products will also float on water, and large spills have been known to result in kills of fish and other aquatic life.

The Salt Lake Products Pipeline System has experienced five relatively small reportable releases since 1990. Two of these releases were caused by damage from third parties excavating near the line; two events resulted from external corrosion; and the final release was due to a welding defect. The volume of product released from the line in each instance was relatively small—the largest being approximately 365 barrels of jet fuel that occurred after an excavator pierced the line. The other four releases ranged from 88 barrels to 200 barrels. None of these releases resulted in injuries to pipeline personnel or members of the public, or caused a fire or explosion. The environmental impacts in each case were localized, cleaned to the satisfaction of regulatory agencies, and caused no permanent environmental damage.

Chevron is not requesting any exemptions from current regulations. The set of risk control activities that have been identified from the risk assessments of the Salt Lake Products Pipeline System (previously mentioned) go beyond the requirements of existing regulations to provide additional protection.

During the course of the consultation, Chevron presented the results of its risk control and decision support process that identified the risk control activities it proposes to implement on its proposed demonstration site. The OPS Project Review Team carefully reviewed these activities and has concluded that superior protection would be provided. As stated previously, all of these risk control activities go beyond the existing regulations in providing additional assurance of safety. The OPS review looked for potentially negative, unintended outcomes from the proposed activities but did not identify any significant negative impacts. OPS has concluded that Chevron's proposed risk control activities when combined with the existing company practices (which comply with and in some cases exceed 49 CFR part 195 requirements) will reduce the likelihood and consequences of pipeline accidents and leaks along the demonstration segment.

### F. Environmental Justice Considerations

In accordance with Executive Order 12898 (Federal Actions to Address Environmental Justice in Minority and Low-Income Populations), OPS has considered the effects of the demonstration project on minority and low-income populations. As explained above, this project will not result in any significant environmental impacts, because Chevron will be complying with current applicable pipeline safety regulations. Residents along the segment will have the same level of protection that they presently have, regardless of the residents' income level or minority status. Therefore, the proposed project does not have any disproportionately high or adverse health or environmental effects on any minority or low-income populations near the demonstration facility.

### G. Information Made Available to States, Local Governments, and Individuals

Since August 1997, OPS has used an Internet-accessible data system called the Pipeline Risk Management Information System (PRIMIS), available via the OPS Home Page at <http://ops.dot.gov>, to collect, update, and exchange information about all demonstration candidates, including Chevron. OPS has made the following documents publicly available through PRIMIS, and incorporates them by reference into this environmental assessment:

(1) "Demonstration Project Prospectus: Chevron Pipe Line Company", available by contacting Elizabeth M. Callsen at 202-366-4572. Includes a map of the demonstration segment. Purpose is to reach the public, local officials, and other stakeholders, and to solicit their input about the proposed project. The prospectus has been mailed to Local Emergency Planning Committees (LEPC) and other local safety officials, Regional Response Teams (RRT) representing other federal agencies, state pipeline safety officials, conference attendees, and members of public interest groups.

(2) "Chevron Pipe Line Company—Application for DOT-OPS Risk Management Demonstration Program".

(3) "OPS Project Review Team Evaluation of Chevron Demonstration Project".

(4) Notice of Intent to Approve Project, published concurrently with this environmental assessment.

OPS has provided additional information to the public about the Chevron project, and has requested public comment, using many different sources. OPS aired four electronic broadcasts (June 5, 1997; September 17, 1997; December 4, 1997; and March 26, 1998) reporting on demonstration project proposals (including Chevron's proposal). An earlier **Federal Register** notice (62 FR 53052; October 10, 1997) informed the public that Chevron was interested in participating in the Demonstration Program, provided general information about technical issues and risk control activities to be explored, and identified the geographic areas the demonstration project would traverse.

At a November 19, 1997, public meeting OPS hosted in Houston, TX, Chevron officials presented a summary of the proposed demonstration project and

answered questions from meeting attendees. (Portions of this meeting were broadcast on December 4, 1997 and March 26, 1998.)

No issues or concerns about Chevron's proposal have been raised.

### H. Listing of the Agencies and Persons Consulted, Including Any Consultants

Persons/Agencies Directly Involved in Project Evaluation  
 Stacey Gerard, OPS/U.S. Department of Transportation  
 Tom Fortner, OPS/U.S. Department of Transportation  
 Elizabeth Callsen, OPS/U.S. Department of Transportation  
 Bruce Hansen, OPS/U.S. Department of Transportation  
 Edward Ondak, OPS/U.S. Department of Transportation  
 Joseph Robertson, OPS/Western Region/U.S. Department of Transportation  
 Kent Evans, Utah Department of Commerce  
 Dennis Lloyd, Washington Utilities and Transportation Commission  
 Steve Rieger, Washington Utilities and Transportation Commission  
 Robert Brown, Cycla Corporation (Consultant)  
 Jim Quilliam, Cycla Corporation (Consultant)  
 Persons/Agencies Receiving Briefings/Project Prospectus/Requests for Comment

Regional Response Team (RRT), Regions 8 & 10, representing the Environmental Protection Agency; the Coast Guard; the U.S. Departments of Interior, Commerce, Justice, Transportation, Agriculture, Defense, State, Energy, Labor; Health and Human Services; the Nuclear Regulatory Commission; the General Services Administration; and the Federal Emergency Management Agency (RRT Co-Chairs: Doug Skie, EPA Region 8; Cdr. Ed Stanton, Coast Guard 8th District; James Everts, EPA Region 10; and Capt. James Morris, Coast Guard 13th District).

### I. Conclusion

Based on the above-described analysis of the proposed risk management demonstration project, OPS has determined that there are no significant impacts associated with this action.

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Docket No. AB-57 (Sub-No. 44X)]

### Soo Line Railroad Company— Abandonment Exemption—in St. Louis County, MN

Soo Line Railroad Company (Soo) has filed a notice of exemption under 49 CFR 1152 Subpart F—*Exempt Abandonments* to abandon an approximately 1.18+/- mile portion of the West Duluth Line between milepost 464.25+/- and milepost 465.43+/- in West

Duluth, St. Louis, County, MN.<sup>1</sup> The line traverses United States Postal Service Zip Code 55802.

Soo has certified that: (1) No local traffic has moved over the line for at least 2 years; (2) any overhead traffic formerly handled on the line can be rerouted over other lines; (3) no formal complaint filed by a user of rail service on the line (or by a state or local government entity acting on behalf of such user) regarding cessation of service over the line either is pending with the Surface Transportation Board (Board) or with any U.S. District Court or has been decided in favor of complainant within the 2-year period; and (4) the requirements at 49 CFR 1105.7 (environmental reports), 49 CFR 1105.8 (historic reports), 49 CFR 1105.11 (transmittal letter), 49 CFR 1105.12 (newspaper publication), and 49 CFR 1152.50(d)(1) (notice to governmental agencies) have been met.

As a condition to this exemption, any employee adversely affected by the abandonment shall be protected under *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979). To address whether this condition adequately protects affected employees, a petition for partial revocation under 49 U.S.C. 10502(d) must be filed. Provided no formal expression of intent to file an offer of financial assistance (OFA) has been received, this exemption will be effective on January 23, 1999, unless stayed pending reconsideration. Petitions to stay that do not involve environmental issues,<sup>2</sup> formal expressions of intent to file an OFA under 49 CFR 1152.27(c)(2),<sup>3</sup> and trail use/rail banking requests under 49 CFR 1152.29 must be filed by January 4, 1999. Petitions to reopen or requests for public use conditions under 49 CFR 1152.28 must be filed by January 13,

<sup>1</sup> Pursuant to 49 CFR 1150.50(d)(2), the railroad must file a verified notice with the Board at least 50 days before the abandonment or discontinuance is to be consummated. The applicant in its verified notice, indicated a proposed consummation date of January 25, 1999. However, because the verified notice was filed on December 7, 1998, consummation may not take place prior to January 26, 1999. Applicant's representative has been contacted and has confirmed that the correct consummation date is on or after January 26, 1999.

<sup>2</sup> The Board will grant a stay if an informed decision on environmental issues (whether raised by a party or by the Board's Section of Environmental Analysis in its independent investigation) cannot be made before the exemption's effective date. See *Exemption of Out-of-Service Rail Lines*, 5 I.C.C.2d 377 (1989). Any request for a stay should be filed as soon as possible so that the Board may take appropriate action before the exemption's effective date.

<sup>3</sup> Each offer of financial assistance must be accompanied by the filing fee, which currently is set at \$1000. See 49 CFR 1002.2(f)(25).